

91st Illinois General Assembly Senate Transcript

STATE OF ILLINOIS
91ST GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

March 8, 2000

PRESIDENT PHILIP:

The regular Session of the 91st General Assembly will please come to order. Will the Members please be at their desks? Will our guests in the galleries please rise? Our prayer today will be given by Dr. Gary Rhodes, Elliott Avenue Baptist Church, Springfield, Illinois. Dr. Rhodes.

DR. GARY RHODES:

(Prayer by Dr. Gary Rhodes)

PRESIDENT PHILIP:

Please remain standing -- remain standing for the Pledge of Allegiance. Senator Radogno.

SENATOR RADOGNO:

(Pledge of Allegiance, led by Senator Radogno)

PRESIDENT PHILIP:

We've had two requests from Channel 3-WCIA, and IIS requests permission to videotape. Leave is granted. Reading of the Journal.

SECRETARY HARRY:

Senate Journals of Monday, March 6th, and Tuesday, March 7th, 2000.

PRESIDENT PHILIP:

Senator Myers.

SENATOR MYERS:

Mr. President, I move that the Journals just read by the Secretary be approved, unless some Senator has additions or corrections to offer.

PRESIDENT PHILIP:

Senator Myers moves to approve the Journals just read. There being no objection, so ordered. Committee Reports.

SECRETARY HARRY:

Senator Sieben, Chair of the Committee on Agriculture and Conservation, reports House Bills 1822, 2885, 3558 and 3861, all

1

STATE OF ILLINOIS
91ST GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

March 8, 2000

Do Pass.

Senator Parker, Chair of the Committee on Transportation, reports House Bills 3312 and 3859 Do Pass.

Senator Cronin, Chair of the Committee on Education, reports House Bills 3840 and 4266 Do Pass.

PRESIDENT PHILIP:

Senator Demuzio, for what purpose do you rise?

SENATOR DEMUZIO:

Thank you -- thank you, Mr. President. I'd like the record to reflect that Senator Mitchell's still excused.

PRESIDENT PHILIP:

The record will so indicate. Resolutions.

SECRETARY HARRY:

Senate Resolution 313, offered by Senator Ronen and all Members.

It's a death resolution, Mr. President.

PRESIDENT PHILIP:

Consent Calendar.

SECRETARY HARRY:

Senate Resolution 314, offered by Senator O'Malley.

And Senate Resolution 315, by Senators Bomke and Demuzio.

They're both substantive.

PRESIDENT PHILIP:

May I have your attention just for one minute and remind you there are a lot of House bills sitting on 1st Reading in the Senate without sponsors. Unless they have sponsors, they don't get out of Rules Committee. I'd humbly -- I know they're bad, but they can't be that bad. But anyway, it's the intention of the Chair to do 2nd -- 2nd -- House Bills 2nd Reading and then go to a Senate Bill on 3rd Reading. So without further ado, the middle of page 6, House Bill 182. Senator Radogno. Read the bill.

SECRETARY HARRY:

STATE OF ILLINOIS
91ST GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

March 8, 2000

House Bill 182.

(Secretary reads title of bill)

2nd Reading of the bill. The Committee on Public Health and Welfare adopted one amendment.

PRESIDENT PHILIP:

Have there been any Floor amendments been approved for consideration?

SECRETARY HARRY:

No further amendments reported.

PRESIDENT PHILIP:

3rd Reading. House Bill 477. Senator Radogno. What is this? You're on a roll. Read the bill, Mr. Secretary.

SECRETARY HARRY:

House Bill 477.

(Secretary reads title of bill)

2nd Reading of the bill. The Committee on Judiciary adopted one amendment.

PRESIDENT PHILIP:

Have there been any other Floor amendments that have been approved for consideration?

SECRETARY HARRY:

No further amendments reported.

PRESIDENT PHILIP:

3rd Reading. Senate {sic} Bill 478. Senator Radogno. What

is this? Read the bill, Mr. Secretary.

SECRETARY HARRY:

Senate -- or, House Bill 478.

(Secretary reads title of bill)

2nd Reading of the bill. No committee or Floor amendments.

PRESIDENT PHILIP:

3rd Reading. House Bill 486. Senator Noland. House Bill 486.

Senator Noland. Take it out of the record. Senate -- House Bill

3

STATE OF ILLINOIS
91ST GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

March 8, 2000

986. Senator Madigan. Read the bill, Mr. Secretary.

SECRETARY HARRY:

House Bill 986.

(Secretary reads title of bill)

2nd Reading of the bill. No committee or Floor amendments.

PRESIDENT PHILIP:

3rd Reading. House Bill 1582. Senator Madigan. Senator

Madigan. Read the bill, Mr. Secretary.

SECRETARY HARRY:

House Bill 1582.

(Secretary reads title of bill)

2nd Reading of the bill. No committee or Floor amendments.

PRESIDENT PHILIP:

3rd Reading. The top of page 7. House Bill 1583. Senator Madigan. Read the bill.

SECRETARY HARRY:

House Bill 1583.

(Secretary reads title of bill)

2nd Reading of the bill. No committee or Floor amendments.

PRESIDENT PHILIP:

3rd Reading. House Bill 1597. Senator Radogno. Take it out of the record, Mr. Secretary. House Bill 2580. Senator Burzynski. Read the bill, Mr. Secretary.

SECRETARY HARRY:

House Bill 2580.

(Secretary reads title of bill)

2nd Reading of the bill. No committee or Floor amendments.

PRESIDENT PHILIP:

3rd Reading. House Bill 3114. Senator Dudycz. Take it out of the record, Mr. Secretary. House Bill 3188. Senator Geo-Karis. Read the bill, Mr. Secretary.

SECRETARY HARRY:

House Bill 3188.

(Secretary reads title of bill)

2nd Reading of the bill. The Committee on Local Government adopted one amendment.

PRESIDENT PHILIP:

Have there been any Floor amendments that have been approved for consideration?

SECRETARY HARRY:

No further amendments reported.

PRESIDENT PHILIP:

3rd Reading. House Bill 4138. Senator Dudycz. Read the bill, Mr. Secretary.

SECRETARY HARRY:

House Bill 4138.

(Secretary reads title of bill)

2nd Reading of the bill. No committee or Floor amendments.

PRESIDENT PHILIP:

3rd Reading.

PRESIDING OFFICER: (SENATOR DUDYCZ)

If the Members turn to page 2, the top of page 2, of your regular Calendars, we will be shortly going to the Order of Senate Bills 3rd Reading for purpose of Senate Bill 1310. On the top of page 2, in the Order of Senate Bills 3rd Reading, is Senate Bill 1310. Mr. Secretary, read the bill, please.

SECRETARY HARRY:

Senate Bill 1310.

(Secretary reads title of bill)

3rd Reading of the bill. The deadline was previously extended.

PRESIDING OFFICER: (SENATOR DUDYCZ)

Senator Watson.

SENATOR WATSON:

Thank you very much, Mr. President. This is the sales tax

5

STATE OF ILLINOIS
91ST GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

March 8, 2000

removal on gasoline, and we discussed this a great deal yesterday. And maybe those of you that weren't here or were -- were not paying attention, we'll talk about it again. But it's only one day away from -- from our lengthy discussion yesterday. But let me just briefly give you an idea of what this does. This -- this takes effect October 1st of this year. So the fiscal impact will be less during this first year, obviously, than it would be in the out-years, and the Department of Revenue projects that at roughly a hundred and eighty million dollars is what the impact will be from the General -- from the General Revenue Fund. This actually takes the sales tax off -- State, only, sales tax off gasoline, and that's a five-percent figure. There's a 1.25 percent that goes to local municipalities and counties. That will remain. So they were not -- they are not impacted by the removal of the -- of the tax. There's also a preemption clause in here - and we talked a great deal about that yesterday - and that is one that says that the units of local government, those taxes that are in

place now can remain, but no new taxes will be allowed to go onto gasoline. And our attitude about that is, why should we take the State sales tax off only to have the local municipality or a county or someone put it back on. We're trying to benefit, obviously, the -- the motoring public. We want this to be a consumer benefit. There's also a provision in here, and -- and questions have been raised about how do we make sure that this is going to get passed on to the consumer, why -- maybe that this will just be -- go into the pocket of a petroleum marketer out there. Well, the Petroleum Marketers and -- and us have agreed, and the -- we put their feet to the fire on this and say that if by the year 2004 - January 1, 2004, a little over three years - if the number of gallons pumped in Illinois does not increase by fifteen percent, then the tax -- sales tax is reinstated. So, obviously, the best interests of those people that are selling

6

STATE OF ILLINOIS
91ST GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

March 8, 2000

gasoline will be to keep that price down so that the gallons pumped will go up, and it has to go up by fifteen percent or it is reinstituted. Basically, that's -- that's -- basically, that's the legislation. If there's any questions, I'd be happy to answer.

PRESIDING OFFICER: (SENATOR DUDYCZ)

Is there any discussion? Senator Larry Walsh.

SENATOR L. WALSH:

Thank you, Mr. President. I just wanted to stand in support -- totally support of this bill. I compliment Senator Watson on putting this together. I know that yesterday I spoke on a couple of the issues on -- in regards to the amendments -- or, the language in the bill just, more or less, in the purpose of bringing 'em up to the attention. But I do stand in support of -- of this proposal, and for us that have districts that border on bordering states, this is definitely going to be a big, big help in, hopefully, bringing in a lot of truck traffic, over-the-road truckers that bypass us completely to go to Indiana or some other state in order to purchase their -- this fuel. So, I think it's a good consumer bill, and I'm totally in support.

PRESIDING OFFICER: (SENATOR DUDYCZ)

Further discussion? Senator Wendell Jones.

SENATOR W. JONES:

Mr. President, Members of the Senate, I rise to support this tax cut. We all use gasoline, but this really helps the little guy. Let's send a strong message to the House and to the Governor to cut the tax on gasoline. Washington will send us more and our citizens will pay less. It's a win-win for Illinois. Let's vote for this bill.

PRESIDING OFFICER: (SENATOR DUDYCZ)

Further discussion? Senator Hendon.

SENATOR HENDON:

Thank you, Mr. President. Will the sponsor yield for a

STATE OF ILLINOIS
91ST GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

March 8, 2000

question?

PRESIDING OFFICER: (SENATOR DUDYCZ)

Sponsor indicates he will yield. Senator Rickey Hendon.

SENATOR HENDON:

Thank you. Senator Watson, you know, I've always supported this legislation. It's a wonderful piece of legislation. In fact, I tried to get it done several years ago, but I was on the wrong side of the aisle, so it didn't happen. But I'm with you all the way. But I just have a few things as far as legislative intent so that we'll be clear on exactly what's going to happen here. Is it your intent that the savings from this tax cut will go to the consumers in Illinois?

PRESIDING OFFICER: (SENATOR DUDYCZ)

Senator Watson.

SENATOR WATSON:

Yes, it is, and I think that's the reason for the provision in there that says that the number of gallons has to increase -- the volume of gallons pumped in Illinois has to increase by fifteen percent over the next three years, and that will put the feet to -- of the fire to the -- those petroleum marketers out there who want, obviously, this tax removed and who will benefit from this,

but it'll also give them the opportunity to pass this on and force them, to a certain degree, to pass this on to the consumer.

PRESIDING OFFICER: (SENATOR DUDYCZ)

Senator Hendon.

SENATOR HENDON:

In my district right now, regular -- unleaded regular is a dollar sixty-nine, dollar seventy cents a gallon. Once this goes into effect, should my constituents expect to see a 8.5-percent reduction on the price of gas at the pump?

PRESIDING OFFICER: (SENATOR DUDYCZ)

Senator Watson.

8

STATE OF ILLINOIS
91ST GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

March 8, 2000

SENATOR WATSON:

Well, thank you, Mr. President. Obviously that's a -- a decision that's made in the marketplace, but I believe, personally, that the competition that takes place in petroleum marketing today is intense and I believe that those people that own those gas stations are going to pass that on to the -- the consumer. And why do I say that, is that Chicago and Cook County pay the highest gas prices in the country, and many of our consumers that live in your district go to Indiana or -- or

somewhere else to purchase gasoline. I'm sure that your petroleum marketers want -- would like to have those people buying gas in their particular convenience store or truck stop, whatever it might be. And I just feel comfortable in saying that this -- this benefit, this reduction, this five-percent reduction, will be passed on to the consumer.

PRESIDING OFFICER: (SENATOR DUDYCZ)

Senator Hendon.

SENATOR HENDON:

And -- and is there anything in addition to that that you could give us that would guarantee that the money is returned to the consumer? The reason I'm asking is because we've seen things like this happen before, and the -- the people that you intend to help, which is good, never receives the benefits, they never receive the help. The -- the companies - and I'm not saying the gas companies, in particular - would just end up keeping the money. Are there any guarantees? And can you explain to us, for legislative intent, how the reinstatement of the tax would hurt the gas companies if they did not lower the -- the cost, if they're not getting the money anyway? If it -- it will -- I don't believe that it will hurt them to reinstate the tax because they're not receiving the money. They're not paying it and they're not to receive it if this law passes, is that correct?

SENATE TRANSCRIPT

85th Legislative Day

March 8, 2000

They're not to keep it.

PRESIDING OFFICER: (SENATOR DUDYCZ)

Senator Watson.

SENATOR WATSON:

Well, the number of gallons that they sell obviously will help their profitability, and that's one of the reasons, I think, economic benefit that will come from this, is that people that work and -- there'll be more jobs created. There'll be -- people that own these -- these facilities, obviously I think their income will -- will go up. And I think that that -- that, in itself, will be an incentive for -- for that -- the benefit to be passed on to the consumer.

PRESIDING OFFICER: (SENATOR DUDYCZ)

Senator Hendon.

SENATOR HENDON:

To the bill: I -- I support the legislation, and I just wanted to make -- for the record, make it clear that this tax cut is to go to the people and that we will be monitoring the gas stations in our communities to see if that, in fact, happens. I don't believe just putting more on the market in and of itself will create lower prices if the gasoline companies choose to keep the money. It has happened before in America. It will probably happen again. I hope it does not happen in this case, but I'm certain the sponsor -- and I have spoken, he has agreed that if it does not see a reduction at the pump, then we will revisit this issue. Thank you, Mr. President.

PRESIDING OFFICER: (SENATOR DUDYCZ)

Further discussion? Senator Sieben.

SENATOR SIEBEN:

Thank you, Mr. President, Ladies and Gentlemen of the Senate. I represent one of the border districts in this State, bordered to the north by Wisconsin and to the west by Iowa, and certainly this

10

STATE OF ILLINOIS
91ST GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

March 8, 2000

type of a tax cut is major economic development for northwestern Illinois. But the tax cut of this size doesn't just benefit...

PRESIDING OFFICER: (SENATOR DUDYCZ)

Excuse me, Senator. Will the Members please take the conferences off the Floor and give the courtesy to the speaker, please? Senator Sieben.

SENATOR SIEBEN:

But a tax cut of this size for the people of the State of Illinois doesn't just benefit our border districts; this tax cut benefits everybody in this State, either directly if you're a consumer of gasoline and motor fuel or diesel fuel, or indirectly if you purchase anything in -- in this State that has to be brought to the local retail establishment by a truck. Those reduced transportation costs are going to get passed on to the

consumer. So it's fair; it's simple to implement; it's a broad-based form of tax relief. The increase in sales in towns like Savanna and East Dubuque and Galena and Freeport, since we're leaving that one-and-a-quarter-percent local tax on, they're going to see an increase in their local tax -- sales tax revenue to pay for infrastructure programs in their communities. I think it's the right thing to do. It's the right time to do it. And I think we can afford to give a tax cut to the people of this State and give them back some of their own money.

PRESIDING OFFICER: (SENATOR DUDYCZ)

Further discussion? Senator Ronen.

SENATOR RONEN:

Yeah. Thank you, Mr. President, Members of the Senate. I'm probably standing here as a lone voice. Let me just say, I support tax relief, but to pass this bill today, I believe is fiscally irresponsible. First of all, we don't know today that there will be a surplus. We have yet completed the budget process. The Department of Revenue estimates this proposal can

11

STATE OF ILLINOIS
91ST GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

March 8, 2000

cost anywhere from a hundred and eighty to three hundred million dollars in this budget year. We don't know if we have those

resources. Secondly, if we do determine through the appropriations process that revenues exist, that there is a surplus, we need to be looking at all the proposals for tax relief that have been proffered. We need to look at them altogether. Inequities in the tax system need to be addressed in a comprehensive and rational way. If we pass this bill today, we can't do that. And -- and, thirdly, I believe that tax relief proposals should be measured against the benefit that they will have on working families and the long-term economy of the State. And viewing this proposal against those criteria, I believe that'll fall short. While it will provide a small tax cut to a select few, I feel that the hole it could leave in the budget would be big enough to drive an SUV through. What we need to do is target tax relief to those who need it most - to working families. For example, the earned income tax credit would do just that. It would help families who work every day but still live in poverty. This is -- this is not right in a -- in a -- a nation and a -- and a state where we have -- we're so prosperous that too many families work every day, play by the rules, but yet still live in poverty. The earned income tax credit would address that. It would put more money into their hands, and therefore put more money into the stream of commerce and be better for the State economy. So while I believe that tax relief is a laudable goal which I share, acting today on this proposal I think is precipitous and, therefore, fiscally irresponsible.

PRESIDING OFFICER: (SENATOR DUDYCZ)

Further discussion? Senator Burzynski.

SENATOR BURZYNSKI:

Thank you, Mr. President. I move the previous question.

PRESIDING OFFICER: (SENATOR DUDYCZ)

12

STATE OF ILLINOIS
91ST GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

March 8, 2000

There are nine additional speakers, Senator Burzynski.
Further discussion? Senator O'Daniel.

SENATOR O'DANIEL:

Thank you, Mr. President and Members of the Senate. You know, I -- I rise -- I think this is a win-win situation. This will get us more competitive, especially downstate, with Indiana, with Kentucky and Missouri, and we will increase our -- our sales. You know, we have -- we're one of the -- we have more interstate miles than most of the states in the nation. We're the transportation hub. There's literally millions of out-of-state automobiles that are using our roads that aren't paying anything. Trucks that drive over our interstate highways are supposed to pay -- if they don't buy fuel, pay a -- a motor fuel tax, and I'm sure most of 'em do. Not only will the -- the sales tax help the trucking and the automobile industry, it'll help farmers, it'll help construction workers. Illinois FIRST program - a good part of -- of the funds for Illinois FIRST program is being picked up by either the truckers or the automobile drivers. A lot of this -- this cost is

being paid -- this will give 'em some little break with -- with this sales tax that we're taking off of motor fuel, not just gas, but diesel also. I'd like to share something with you that I saw on TV just recently down in southern Illinois. It's not Shawneetown either. But anyway, we have a free ferry at Cave-in-Rock. State of Illinois picks up half the cost, the State of Kentucky -- I think eight hundred and fifty thousand dollars apiece. The Harrisburg station was there, talking to the people who were waiting to get on the -- the ferry. Every one of 'em - must have been twenty - said, "Oh, we love this ferry." They said, "We go over in Kentucky and we buy our gasoline, we buy our cigarettes. They have a nice grocery store over there; we buy our groceries." So if you think it don't make a difference, you just get around some of these borders and you'll see what's happening.

13

STATE OF ILLINOIS
91ST GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

March 8, 2000

But I think this is something that we can give the people back a little something and there's a good possibility it won't cost the State anything. It -- it could generate revenue.

PRESIDING OFFICER: (SENATOR DUDYCZ)

Further discussion? Senator Geo-Karis.

SENATOR GEO-KARIS:

Mr. President and Ladies and Gentlemen of the Senate, much as I have the highest respect for one of the speakers on the other side, I, too, am for the earned income tax credit, but this gas bill is a very important one in my district. We have the border -- we're on the border of Wisconsin and I can tell you -- my whole district is on the border of Wisconsin and one of the biggest complaints I've had is from my constituents about the high gas taxes. So I think when you consider that if you lower the gas tax, you take away the State sales tax out of it - five percent - that encourages people when they go to a gas station to buy something else that's being for sale at those gas stations. And I think this is a step in the right direction...

PRESIDING OFFICER: (SENATOR DUDYCZ)

Excuse me, Senator Geo-Karis. Please -- Members please pay attention. Take your conferences off the Floor. Senator Geo-Karis.

SENATOR GEO-KARIS:

I -- I think what we will be doing, actually, is adding more income to Illinois because people will be encouraged, by paying less in gas tax, in that we don't have the Illinois sales tax on it, but they'll buy other things that -- for the most part that are in a gas station. There's so many things offered for sale like food, candy and so forth. So I actually think this is a step in the right direction. It will increase the income to the State and I think we should go ahead and vote for it and pass it. I think it's a good bill for the consumers.

STATE OF ILLINOIS
91ST GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

March 8, 2000

PRESIDING OFFICER: (SENATOR DUDYCZ)

Further discussion? Senator Myers.

SENATOR MYERS:

Thank you, Mr. President, Members -- fellow Members of the Senate. I rise in strong support of this proposal. This is a proposal that's important to my district, much of which is the border of Indiana and Illinois. It's a proposal that helps everyone because this gas tax can be felt by our seniors, by the farmers, by small businessmen like my husband and many of our friends. So I feel that it is important for us to show the people of this State that we're willing to do something that will result in something very positive for their pocketbooks. And I would hope that we all could support this very fine piece of legislation that our fellow Senator Watson has proposed.

PRESIDING OFFICER: (SENATOR DUDYCZ)

Further discussion? Senator Molaro.

SENATOR MOLARO:

Would -- I don't know if the sponsor got tired out, but if he could stand up, I'd like to ask him a question, please.

PRESIDING OFFICER: (SENATOR DUDYCZ)

Sponsor indicates he will yield. Senator Molaro.

SENATOR MOLARO:

Thank you, Senator Watson. Back -- back to this question I

asked yesterday, which -- which maybe I was confused myself. Two hundred and fifty million, we'd probably lose at the beginning then. You're probably right, we'll make it up. But while we lose this two fifty in the General Revenue Fund, will then they -- to make up for this shortfall, will this affect the Road Fund or anything that goes to our roads or mass transit? And is there any way that you can give some type of assurance that it would not affect the Road Fund and thereby stop any of our projects for either road repairs and/or mass transit?

15

STATE OF ILLINOIS
91ST GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

March 8, 2000

PRESIDING OFFICER: (SENATOR DUDYCZ)

Senator Watson.

SENATOR WATSON:

Well, what this will do, Senator - and by the way, I'm pleased to stand and rise and answer your questions and concerns you might have - this will actually -- and -- and we've seen charts to this effect. What's going to happen is the number of gallons will be increased. And as I mentioned before, if it's not in three years and two months, the tax is reinstated. But the -- when the number of gallons increase, then what happens? Motor fuel tax - we're not impacting that - which is your Road Fund and mass transit and

other transportation needs of this State, will go up, so we'll actually see an increase in -- in revenue. And from what we understand, the Arthur Andersen study said that there could be as much a hundred and ten million dollars, if we have a ten-percent increase in gallons pumped. A hundred and ten million dollars increase in the Motor Fuel Fund. So that's obviously something that'd be very significant and -- and is part of that offset we've been talking about.

PRESIDING OFFICER: (SENATOR DUDYCZ)

Further discussion? Senator O'Malley.

SENATOR O'MALLEY:

Thank -- thank you, Mr. President, Ladies and Gentlemen of the Senate. I rise in support of Senate Bill 1310 which, in my opinion, offers broad-based tax relief throughout Illinois. You know, we've already heard those people who represent the border districts, and maybe we'll hear from some more, who've expressed the concerns that they have. I don't represent a border district; although, my district is not far from Indiana. In my area, I think probably the biggest concern I have is similar to the one expressed by Senator Hendon. Is this going to represent tax relief that we can count on, or is it somehow going to be

pocketed? I believe that the -- accountability measure that's provided for in the legislation will ensure that the petroleum marketers do everything they possibly can to increase the sale of gallons. And to increase the sale of gallonage, what they're going to need to do is be even more competitive than they are today. So what we're doing is almost priming the pump in a very positive way, not only for the economy, but for the pockets of taxpayers across Illinois. It also does not take away sales tax revenue from our local -- our local governments. In fact, their sales taxes will probably rise as gallonage sales increase in Illinois. And arguably, in picking up on Senator Molaro's comments, it is probably going to result in an increase in dollars available to the Road Fund, which will take pressure off the General Revenue Fund. And this is not exclusive tax relief. It doesn't have to be. I, too, like Senator Geo-Karis, support the concept of -- the earned income tax credit here in Illinois, and I'm looking forward to seeing that measure, as well, considered by us. But this puts it -- this puts this particular concept in play, and it's important that it be there. Ladies and Gentlemen, I believe that the only regret that any of us should have is that we have not done this sooner. Thank you.

PRESIDING OFFICER: (SENATOR DUDYCZ)

Further discussion? Senator Demuzio.

SENATOR DEMUZIO:

Well, thank you, Mr. President. I rise in support of this bill. I mean, I don't know what we're talking about here this morning. It seems to me we're talking about tax relief. The fact

of the matter is, is that if you look at the surrounding and adjacent states to Illinois, we are not competitive with those states when it comes to gasoline taxes. What this will do, will put competition back into the market, afford our -- our people the opportunity to sell more of their product here in Illinois. When

17

STATE OF ILLINOIS
91ST GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

March 8, 2000

it's all over and said and done, you're not going to have the kind of tax loss that everybody's talking about in here. You'll be lucky if you end up with a wash. And so if we're talking about tax relief, let's talk about tax relief on some other issue. This is not tax relief. All this is, is -- competition and putting competition back in the market and allowing our businesses in this State the opportunity to compete with the other states. And there won't be any revenue loss as a result of that. Thank you.

PRESIDING OFFICER: (SENATOR DUDYCZ)

Further discussion? Senator Parker.

SENATOR PARKER:

Thank you, Mr. President. In Illinois, in the last twenty years, the motor fuel tax has been increased five times and, with that, the consumption in Illinois has decreased. And we should remember that in 1978, the consumption in the State of Illinois

was higher in gasoline than in 1995. In fact, we're just getting back to the consumption levels back in 1978. Yet, the miles that we have driven in Illinois have increased by more than thirty-three percent. I -- most of my district is in the County of Cook, and it wasn't long ago where we were rated the second-highest in the country in taxes, only second to some island in Hawaii. The federal dollars will increase; our matching funds will increase with the...

PRESIDING OFFICER: (SENATOR DUDYCZ)

Excuse me, Senator Parker.

SENATOR PARKER:

...passage of this bill.

PRESIDING OFFICER: (SENATOR DUDYCZ)

Senator Parker.

SENATOR PARKER:

By decreasing the motor fuel tax by five percent, the federal dollars into the State matching funds will increase, we will have

18

STATE OF ILLINOIS
91ST GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

March 8, 2000

more money for our roads and infrastructure, it will be better for transportation, and, also, it will put money back into the pockets of the consumers, particularly those who are poor, who are retired

and lower- and middle-income, and for the rest of them. And I urge an Aye vote.

PRESIDING OFFICER: (SENATOR DUDYCZ)

Further discussion? Senator Donahue.

SENATOR DONAHUE:

Thank you, Mr. President. Ladies and Gentlemen of the Chamber, this is a very, very important piece of legislation for my area and, as you know, I represent about two hundred miles of the Mississippi River which borders the States of Missouri and Iowa. And back in 1993 when we had the great floods that were over there at that time on the Mississippi, and the Quincy Bridge went down, that very day, one of our petroleum marketers increased his sales by two hundred and eight percent, on that one day, and that stayed constant until the bridge was back up and the facilities across the river in Missouri were rebuilt. And this had a major impact on our area, as you can imagine, and when people communicate and talk about the concern they have for their local roads, cities or townships or what have you, we talk to -- we noticed that in the City of Quincy, that our sales tax had increased dramatically. And we went to the major retailers to find out -- you know, we were trying to figure out why this had taken place. The major retailers and the car dealers both were struggling during this time, and the only thing you can attribute it to was the sales and the increased sales of gasoline. And every state surrounding the State of Illinois - and I think this is something we have to realize, from Senator Demuzio's comments and Senator Watson's as well - but every state surrounding Illinois, per capita purchase of gasoline -- or use of gasoline is higher, in every state surrounding Illinois. The differential in

STATE OF ILLINOIS
91ST GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

March 8, 2000

-- between Illinois and Missouri is: Missouri, six hundred and eighty-four gallons per person are sold; in Illinois, it's four hundred and sixty-nine. That's a dramatic difference. If we can keep people in Illinois to buy Illinois, increase the -- increase the volume sold, we're going to increase our revenues. I think this is a very important piece of legislation, and I ask for your support.

PRESIDING OFFICER: (SENATOR DUDYCZ)

Further discussion? Senator Emil Jones.

SENATOR E. JONES:

Thank you, Mr. President. The more I listen to the debate, the more confused I get. And I've been trying to read this bill, when we talk about the average consumer, the little people. So will the sponsor yield for a question, please?

PRESIDING OFFICER: (SENATOR DUDYCZ)

Sponsor indicates he will yield. Senator Jones.

SENATOR E. JONES:

Senator Watson, the five percent that is -- that -- sales tax that we pay at the State level, that's a tax on top of a tax on top of a tax. What year -- and you -- you said a hundred and

eighty million dollars. Could you tell us approximately what year you figured and what price the gasoline was where you come up with that figure?

PRESIDING OFFICER: (SENATOR DUDYCZ)

Senator Watson.

SENATOR WATSON:

Well, actually, that came from the Department of Revenue.

PRESIDING OFFICER: (SENATOR DUDYCZ)

Senator Jones.

SENATOR E. JONES:

But could you tell the Body, was it for 1998, 1999? Could you give us an approximate date?

20

STATE OF ILLINOIS
91ST GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

March 8, 2000

PRESIDING OFFICER: (SENATOR DUDYCZ)

Senator Watson.

SENATOR WATSON:

I'm told that it was 1999.

PRESIDING OFFICER: (SENATOR DUDYCZ)

Senator Jones.

SENATOR E. JONES:

Well, you are told that, but what I -- my understanding, it

was in 1998. And the five percent and a hundred and eighty million dollars, we're in the year 2000. And in the year 2000 -- so it's going to be a far greater hit on -- on -- on the revenue 'cause it may be up to around four hundred million dollars. And the reason why I raise this question with you, because this five-percent tax is built into -- is built into the -- the price that the consumer pay at the pump. Am I right?

PRESIDING OFFICER: (SENATOR DUDYCZ)

Senator Watson.

SENATOR WATSON:

Yes.

PRESIDING OFFICER: (SENATOR DUDYCZ)

Senator Jones.

SENATOR E. JONES:

Okay. Could you tell me then, is it October the 1st, year 2000, that the five-percent tax will come off, that the retailer will cease paying that five-percent tax? Right?

PRESIDING OFFICER: (SENATOR DUDYCZ)

Senator Watson.

SENATOR WATSON:

October 1st of this year. That's the effective date.

PRESIDING OFFICER: (SENATOR DUDYCZ)

Senator Jones.

SENATOR E. JONES:

STATE OF ILLINOIS
91ST GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

March 8, 2000

So since the consumer is paying it through the price that he's paying at the pump, the retailer at the station where you buy your gas will cease paying it, even though when he cease pay -- ceased to pay the five percent, the retailer {sic} is still paying it. Now, where in this bill that it is written that the consumer will no longer have to pay this five percent that's built into the cost of the gas? Is there any language in this bill that says the consumer will no longer have to pay it as of October 1, 2000?

PRESIDING OFFICER: (SENATOR DUDYCZ)

Senator Watson.

SENATOR WATSON:

No. The -- the answer to that question is no. There's no way we can guarantee that. It's a marketing decision.

PRESIDING OFFICER: (SENATOR DUDYCZ)

Senator Jones.

SENATOR E. JONES:

Well, to the bill: And I think the record should be made crystal clear, because I see Members jumping on the Floor talking about the border states and -- and the amount of gas that's sold in the states surrounding Illinois. The question I raise to you is that there is no pass-through provision that this savings is going to be passed on to the average motorist that go to the pump. That motorist will still be paying that built-in cost, and if you were genuinely sincere about helping the little people, helping

that trucker, helping that person on -- on the -- that has to buy gas on the borderlines of the State of -- of Illinois, then it would have been put into the bill. Last year we passed Illinois FIRST. We raised the price of the liquor tax. What did they do? They went out there and gouged the consumers. They raised the price ten times what we had imposed upon them. They said it -- tried to blame the Legislature. No, it was not our fault. This bill is a sham. When you talk about helping the average consumers

22

STATE OF ILLINOIS
91ST GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

March 8, 2000

-- and those of you who feel you have to vote for it, and on October 1, November 1st, December 1st, they're not going to see one dime less in the price of gas they are paying because the retailer is not going to pass it on to them. It is not a -- a marketer's decision. It should be our decision to see that that savings is passed on to the consumers, but there is nothing in this bill that would guarantee it. So we will pay it at the pump, the retailer will not have to pay it, so he, in turn, would make more profits. And the only way the consumer is going to be guaranteed that he will get that savings - that little guy that you talk about or our service stations who are on the borderline, be it Indiana, Missouri, Iowa - is that we guarantee that it's

passed on to the consumers. There is nothing in this bill that does that. It's a sham, and if you was genuinely sincere about doing tax relief for the little people, you would have stood up and fought for the child care and elderly care expense in Senate Bill 1593. The earned income tax credit, to help seven hundred thousand families across the State of Illinois - you wouldn't even let it out of the Rules Committee. All the tax measures that were put forth to help working families, you fought against. But this bill -- this bill is going to help the retailers. But that four hundred million dollars is not going to go back to the consumers because they're not going to give it to him, and when we come back in the Veto Session, those pumps -- the price at the pump will still be there. It will increase. And it's a shame that we will stand on this Floor trying to say we're helping the average little person, but that little person should have been included in this bill to make sure that if they pay the tax, it's taken off, that tax will go back to them.

PRESIDING OFFICER: (SENATOR DUDYCZ)

Further discussion? Senator Philip.

SENATOR PHILIP:

23

STATE OF ILLINOIS
91ST GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

Thank you, Mr. President, Ladies and Gentlemen of the Senate.

I suppose the question is: Why? Gas prices have never been as high as they are today, and every time I pass another gas station the next day, the price seems to go up. I don't know about you, but I'm getting letters. When I stop to fill up my gas - and I always buy my gas in Illinois - I have people stop. "What are you going to do about these high gas prices?" And, quite frankly, we haven't had a very good response at this point. We're simply saying, like forty-one other states have: Do not put the State sales tax on gasoline. We're one of the few nine states that does it. My constituents don't even understand that. They don't know there is a sales tax on motor fuel tax. When you talk to 'em about it, they don't understand that it goes into the General Revenue Fund. Now, it all depends on whose figures that you look at. It seems about two hundred and forty million dollars a year if we would take the five percent off. And people say, "Ah, that's -- that's too much money." This State has never been in better financial conditions since I've been around here, and I've been here over thirty years. We'll probably have over a billion dollars in surplus if we watch what we do on the budget this year. Nobody seems to want to talk about that. What have we done for the taxpayers this Session? Not a heck of a lot. And you worry about the little guy. You don't think little guys drive cars? I don't understand that. Only rich people drive cars, right? Baloney! And I'll tell you one thing, that is not true. They might drive junkier cars, but they drive cars. And my opinion is this: As you know, if -- if you represent a border -- you're a Senator for a border, what happens to Iowa and Missouri, Indiana? They continually go across the border and buy gasoline and diesel

because it's cheaper. And what else do they do? They buy booze, they buy cigarettes, they buy magazines, they buy groceries. Why? Because, generally speaking, the sales tax on those commodities

24

STATE OF ILLINOIS
91ST GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

March 8, 2000

are cheaper. So if we can keep those Illinois people in Illinois buying gas, we pick up groceries, we pick up liquor, we pick up cigarettes. Now, who does that help? The local taxing bodies. They will benefit. The road commissioners will benefit. The retailers will benefit. And Illinois people will benefit. It's a good idea. If you're running for reelection and you've got opposition, I got news for you: You'd better vote for it.

PRESIDING OFFICER: (SENATOR DUDYCZ)

Senator Watson, to close.

SENATOR WATSON:

Well, thank you very much. Hard to top that, but I do want to make a couple of comments. Why -- why are we here? We heard about it. Well, we're getting record prices right now on gasoline. Here's the Chicago Sun-Times: Drivers get gas pains. Headlines in newspapers all over this State talking about the high cost of gasoline. And they're claiming by this summer, there's a good possibility it could be two dollars. The things that I just want

to mention too -- is talk about -- one -- one speaker talked about the select few. I'm not sure I understand that. I -- I remember when we debated the sales tax elimination on food and drugs. The very people that got up and spoke against this were very strongly in favor of the elimination on sales tax on food and medicine, and the reason was because it was a regressive tax. The sales tax is a regressive tax and it hurts the people who have limited amount of income to pay, and that's the very same thing we're doing here. An automobile is a necessity in most people's life today, and that's why reducing those costs and those -- is very important. And I think that the low-income, fixed-income, senior citizens, all these people obviously are hurt the hardest and hit the hardest when we have a regressive tax such as the sales tax on gasoline. Let me just talk a little bit about the fiscal impact. And I appreciate the -- the President mentioning this offset and

25

STATE OF ILLINOIS
91ST GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

March 8, 2000

even Senator Demuzio talking about this so-called "wash". This is -- but this is not a sham. We're not talking about a sham here. This is going to be a benefit, obviously, to the consumer. What happens -- and I know this -- let me -- I've said this before, but I'm going to say it again, because there's other people that need

to hear this message besides those of us on the Senate Floor. What happens when the gallons of gasoline increase, the volume increases, in this State? The Motor Fuel Tax Fund is -- is -- is benefitted a great deal. The Arthur Andersen study indicated that if we increase it by ten percent, sale of gasoline, a hundred and ten million dollars will be made available to the Motor Fuel Tax Fund -- Motor Fuel Tax Fund, and that is an increase over and above what we're getting now. Local communities will benefit because the local sales tax is still there. And if we increase the number of gallons pumped at the local community level, obviously those revenues will go up. Federal dollars that we get in this State - and which we do very poorly, by the way, in attracting federal dollars to -- back to our people - will go up as a result of the number of gallons pumped. Profit of people who own these facilities will go up. Income taxes paid will go up. I think this is a job creation issue. If you saw a video that was put together by the Illinois Petroleum Marketers, they showed several gas stations, truck stops - huge facilities - that had closed in Illinois, but right across the State border, they're building 'em. That's called job creation, and that's -- if we can keep people in Illinois and keep stations open in Illinois, obviously that would be very good for the Illinois public. There was a hundred and eighty people working at a truck stop in -- in Calumet City that closed. What happens to the income from those people? We lose it. So there's a -- there's a considerable amount of offset that's going to benefit - the General Revenue Fund, the Motor Fuel Tax Fund, in essence, and the people of Illinois. So I

STATE OF ILLINOIS
91ST GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

March 8, 2000

think this is a -- a win-win situation, someone said. I agree with that. This is a win-win situation. The consumer benefits, and I think the State will benefit. And it's time we do it. And I ask for your support.

PRESIDING OFFICER: (SENATOR DUDYCZ)

This bill preempts home rule with regard to taxing powers pursuant to subsection (g) of Section 6 of Article VII of the Illinois Constitution. Therefore, it shall require thirty-six votes for passage. The question is, shall Senate Bill 1310 pass. All those in favor will vote Aye. Opposed will vote Nay. And the voting is open. Have all voted who wish? Have all voted who wish? Have all voted who wish? Take the record. On that question, there are 50 Ayes, no Nays, 6 voting Present. And Senate Bill 1310, having received the required constitutional majority -- three-fifths majority, is declared passed. Senator Karpiel, what purpose do you rise?

SENATOR KARPIEL:

I just rise to wish Senator -- and hope that the rest of the Senate joins me in wishing Senator Ed Petka a happy birthday. Yea. I -- I think it's...

PRESIDING OFFICER: (SENATOR DUDYCZ)

Is he the most senior Member of the -- of the Chamber?

SENATOR KARPIEL:

I -- I think it's actually tomorrow, his birthday. But -- but he does want you to enjoy cake that's up on our side of the aisle up here and -- he's saying it's Ash Wednesday, not -- not -- for those of you that shouldn't forget that, he's reminding you. But for the rest of you, there's cake up there. We -- we do wish Senator Petka a happy birthday.

PRESIDING OFFICER: (SENATOR DUDYCZ)

Thank you, Senator Karpiel. Senator Klemm, what purpose do you rise?

27

STATE OF ILLINOIS
91ST GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

March 8, 2000

SENATOR KLEMM:

For the purposes of an announcement, Mr. President. We have the Executive Committee. It's meeting immediately upon adjournment in Room 212. Immediately upon adjournment, 212, Executive.

PRESIDING OFFICER: (SENATOR DUDYCZ)

House Bills 1st Reading.

ACTING SECRETARY HAWKER:

House Bill 992, offered by Senator Lightford.

(Secretary reads title of bill)

House Bill 1544, also offered by Senator Lightford.

(Secretary reads title of bill)

House Bill 1776, offered by Senator Link.

(Secretary reads title of bill)

House Bill 1785, offered by Senator Geo-Karis.

(Secretary reads title of bill)

House Bill 2374, offered by Senator Ronen.

(Secretary reads title of bill)

House Bill 2888, offered by Senator Noland.

(Secretary reads title of bill)

House Bill 2899, offered by Senator Geo-Karis.

(Secretary reads title of bill)

House Bill 2954, offered by Senator Lightford.

(Secretary reads title of bill)

House Bill 2961, offered by Senator Lightford.

(Secretary reads title of bill)

House Bill 3049, offered by Senator Myers.

(Secretary reads title of bill)

House Bill 3186, offered by Senator Maitland.

(Secretary reads title of bill)

House Bill 3221, offered by Senator Lightford.

(Secretary reads title of bill)

SENATE TRANSCRIPT

85th Legislative Day

March 8, 2000

House Bill 3240, offered by Senators Lauzen and Cullerton.

(Secretary reads title of bill)

House Bill 3535, offered by Senator Lightford.

(Secretary reads title of bill)

House Bill 3576, offered by Senators Lightford and Cullerton.

(Secretary reads title of bill)

House Bill 3756, offered by Senator O'Malley.

(Secretary reads title of bill)

House Bill 3831, offered by Senator Maitland.

(Secretary reads title of bill)

House Bill 3841, offered by Senator Cullerton.

(Secretary reads title of bill)

House Bill 3872, offered by Senator Philip.

(Secretary reads title of bill)

House Bill 3873, also by Senator Philip.

(Secretary reads title of bill)

House Bill 3875, by Senator Philip.

(Secretary reads title of bill)

House Bill 3876, by Senator Philip.

(Secretary reads title of bill)

House Bill 3903, offered by Senator Cronin.

(Secretary reads title of bill)

House Bill 3929, offered by Senator Molaro.

(Secretary reads title of bill)

House Bill 3935, offered by Senator Lightford.

(Secretary reads title of bill)

House Bill 3939, offered by Senator Philip.

(Secretary reads title of bill)

House Bill 3947, offered by Senator Sieben.

(Secretary reads title of bill)

3986, offered by Senator Sullivan.

(Secretary reads title of bill)

29

STATE OF ILLINOIS
91ST GENERAL ASSEMBLY
REGULAR SESSION
SENATE TRANSCRIPT

85th Legislative Day

March 8, 2000

House Bill 4017, offered by Senator Lightford.

(Secretary reads title of bill)

House Bill 4072, offered by Senator Sullivan.

(Secretary reads title of bill)

House Bill 4181, offered by Senator Dillard.

(Secretary reads title of bill)

House Bill 4228, offered by Senator Klemm.

(Secretary reads title of bill)

House Bill 4237, offered by Senator Wendell Jones.

(Secretary reads title of bill)

House Bill 4421, offered by Senator Parker.

(Secretary reads title of bill)

House Bill 4270, offered by Senator Dillard.

(Secretary reads title of bill)

House Bill 4656, offered by Senator Maitland.

(Secretary reads title of bill)

And House Bill 4431, offered by Senator Rauschenberger.

(Secretary reads title of bill)

1st Reading of the bills.

PRESIDING OFFICER: (SENATOR DUDYCZ)

Is there any further business to come before the Senate? If not, Senator Roskam moves that the Senate stands adjourned until the hour of 10 a.m., Thursday, March 9th, 2000.